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ECONOMIC PEACE SERIES. No. I.

ECONOMIC PEACE

BEING A BRIEF STATEMENT OF ITS BASIS
IN ECONOMIC FREEDOM

308 Z

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BY

R. R. BOWKER

NEW YORK G. P. PUTNAM'S SONS

LONDON

ECONOMIC PEACE

BEING A BRIEF STATEMENT OF ITS BASIS
IN ECONOMIC FREEDOM

BY

R. R. BOWKER

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R. R. Bowker



Made in the United States of America

ECONOMIC PEACE

I

Economic peace is the one safe and sane foundation for any association of nations which is to last. Economic war would be incompatible with international solidarity and world organization.

Nationality and patriotism are not incompatible with internationalism and the enthusiasm for humanity. A good Bostonian may be a good Yankee and a good American. So a good American may be a true internationalist in the best sense without sacrifice of affection and loyalty for the home country.

The Declaration of Independence of the eighteenth century has been made more significant by what is rightly known as President Wilson's "declaration of interdependence" in the twentieth century. That made a Magna Charta for the world, which is a logical evolution from the Magna Charta of Runnymeade, successively developed through the results of the Reformation, the Commonwealth of Cromwell, the French Revolution, to which may be added the German uprisings of '48 and the early Russian Revolution, abortive as both have seemed in their immediate effect.

The new world of peace, when it emerges from the aftermath of the world war, should be a fresh example of the reconciliation of seeming opposites such as confront us everywhere in the physical and intellectual world. Socialism and individualism will each contribute of their ideals and aims toward the betterment of human relations as there develops a state of collectivist organization in which individual effort will have

its free and full play. This modern world and the modern states which compose it can exist only in economic peace, based on conditions of economic freedom. Toward this America must lead in achieving the twin aims of making the world safe for democracy and making democracy safe for the world.

II

Strangely enough, it was in America that the seed of economic war was sown from which has been reaped the red harvest of blood and misery. Chickens, political and economic, come home to roost, and what America helped to do she must help to undo. It was the American acceptance of the theory of "protection" which led straight to the German "national economics," and that to the world war. When Friedrich List, born in 1789, lost his professorship at Tübingen and was expelled from Württemberg, he came in 1825 to Pennsylvania, and after studying the works of Alexander Hamilton and his followers, he fell under the same spell as Henry C. Carey and made himself an apostle of the protectionist faith. After five years in America, List returned to Germany and was appointed a United States consul, but the German government still objected to him and he became a writer, concentrating himself on the development of railroads, a national commercial system and a national fleet. In 1841 he reshaped journalistic articles into his "National System of Political Economy." In 1843 he published at Augsburg his Zollverein (Customs Union) journal, and in 1846, after returning disappointed from England where he sought to fashion an Anglo-German alliance, he became insane, like Nietzsche, and shot himself. It was he who proposed the Berlin-Bagdad Railway and thus initiated the cry "from Berlin to Bagdad," which has been one of the shibboleths of pan-Germanism. Opposing France, he favored an English alliance, and one fork of his railway was to reach Ostend toward England. He sought to have Germany made commercially independent, with national protection as the road to "the goal of free trade," just as the Germany of our day set herself toward the contradiction of national domination and "the freedom of the seas." He was the apostle of Germany's merchant and militant navy. It was his German economics which prepared the way for Nietzsche's moral code of the gospel of the strong and the superman, for Treitschke's German politics and hate of England, and for Bernhardi's German militarism, which together did so much to bring the world to its present miseries. His system was also the basis of the "historical school," adopted by our own political economists who returned from their studies in Germany to found the American Economic Association, although this later broadened into its present comprehensiveness.

If List had accepted and Germany followed the teachings of Richard Cobden, instead of those of Alexander Hamilton, toward economic freedom, "peace on earth, good will among nations," Germany might have averted the world war and her own ruin.

When Germany, freed from militarism and autocracy, from the Kaiser and the bad and broken sword of the Hohenzollerns, from the perverse teachings of List and Nietzche, Treitschke, Bernhardi and their like, returns to the spirit of '48, which we have known in the persons of Schurz, Jacobi and their compeer patriots, the spirit of Beethoven and Schiller, of Wagner and his Hans Sachs, then the nations of the world may welcome her people back to the fellowship of human kind.

III

"Deutschland über alles" was the slogan with which the Kaiser started to put the world under his feet. He built up industries, promoted commerce and established colonies. Two great commercial navies took advantage of the freedom of the seas to swarm the ocean. At last by that sin of ruthless ambition fell his empire.

All Europe was ready for a conflagration. Serbia struck the match. Germany fanned the flame. Austria declared war. The Kaiser prayed and the devil heard. The Czar, peace loving, was cheated, betrayed, and made the tool of the Kaiser. Sir Edward Grey sought in vain to put out the flame before it broke into unquenchable fierceness. But the Kaiser's Chancellor tore a sacred treaty into scraps of paper and war was loosed. Brave Belgium did not flinch. She saved France, saved herself, saved the world. But the world was now afire. Britain came to the aid of Belgium. France sprang to the revenge for which she had waited forty years. Russia attacked, but corruption had ham-stringed her. England's loyal dominions came to her aid, with India steadfast despite German wiles. Italy, bargaining, joined the allies. Bulgaria, through bad diplomacy, cast her unhappy lot with the Teutons. Turkey, her army trained by German officers, completed the "mittel Europa" chain of the Berlin-Bagdad Railway. Japan, facing Germany's aggression in the Far East, joined forces against her. The ruthless and reckless Germany brought America into the fray. A President, elected to keep the peace, was forced to declare war. Paris, bombarded, was nearly reached. Then America added the fighting force which assured victory. The Kaiser fled. Germany collapsed. Russia, freed but again betrayed, fell into chaos. Germany was in the hands of her enemies and at Versailles her humiliation was complete.

An unheroic exile, the would-be master of the world has none so poor to do him homage. He is just a notoriety. No defeat was ever more overwhelming than his and his country's downfall. But from defeat has come the iron determination to survive. Freed from her crushing burden of militaristic costs by the drastic terms of the Versailles Treaty, Germany

may yet rise from her humiliation to do her part in the world. Her disarmament has given her a vantage which none of her enemies possess. The world has now to face the question shall defeated Germany be victorious, because her victors, former enemies and present competitors, are still handicapped by the crushing burden of militarism and the strait-jacket of narrow nationalism?

IV

When President Wilson, after the armistice of November 11, 1918, based in large measure on the acceptance of his "fourteen points" of January 8, 1918, left America for the Paris Conference, Europe hailed him as the apostle of peace. His idealism had thrilled the world with a new hope. World peace in which America was to lead seemed in sight. Mr. Wilson was acclaimed in England, in France, in Italy, as the idol of the people.

But soon the people found that their idol had feet of clay, and the very streets which had been named for him were renamed in the revulsion. The tragedy of Paris followed with its aftermath of woe. The old diplomacy, personal ambitions, national greed, dominated the new situation as they had dominated the Congresses of Vienna and Berlin. The American President had failed to accomplish his ideals. He had triumphed in his idealism; he was vanquished in his opportunism. "Open covenants of peace, openly arrived at" gave place to secret meetings of narrowing conclaves in which successive compromises and surrenders were the order of the day. The secrecy may have been fostered in some measure by the President's character, which prevented free consultation with those whose minds did not run along with his and who could make a better judgment of public opinion than he, which enabled the old diplomacy to play its usual tricks. A treaty, the most complicated, the most drastic, the most far reaching that had ever followed a war, deeply disappointed the hopes of the world and seemed a betrayal of democracy.

The President came home, not recognizing his own defeat, not sensing the disappointment of the people, and the narrow partisanship of the Senate seemed upheld in the immense majority, arising not from one but from many causes, which overwhelmed the President and his party. But the end is not yet. History will record the ultimate triumph of the ideals which Woodrow Wilson proclaimed at Washington and surrendered at Paris. As Lincoln's immortal speech at Gettysburg needed the perspective of the years for its full significance, so Wilson's "declaration of interdependence" will earn a larger significance as the future opens the pathway of peace toward which he has been the world's guide.

V

Of economic peace, President Wilson had spoken in no uncertain terms. Of his "fourteen points," the third fundamental was as follows:

"The removal, so far as possible, of all economic barriers and the establishment of an equality of trade conditions among all nations consenting to the peace and associating themselves for its maintenance."

And in the Liberty Loan address of September 27, 1918, he said:

- (2) "No special or separate interest of any single nation or any group of nations can be made the basis of any part of the settlement which is not consistent with the common interest of all."
- (4) "There can be no special, selfish economic combinations within the League and no employment of any form of economic boycott or exclusion except as the power of economic penalty by exclusion from the markets of the world may be vested

in the League of Nations itself as a means of discipline and control."

On these propositions for the only possible permanent peace America must ultimately accept Mr. Wilson's leadership in leading the world.

VI

In the communication of certain American citizens, addressed May 7, 1917 to the British and French Commissions then in America, included in this pamphlet, there was expressed the belief that "a chief cause among the several causes which have led to the world war has been the economic battle between selfish and restrictive 'protection,' so-called, and international freedom of exchange," and the hope that all peoples may, as the outcome of the war, be united in "this thought of the common interest of mankind, based on economic as well as political freedom . . . which will ultimately include all humanity and bring about the United States of the World, as free from barriers against each other as the states of our Union are free in mutual trade under the guarantees of our Constitution."

Following the armistice, a further communication was addressed, under date of Christmastide 1918, through the Secretary of State, to the Peace Conference then assembled in Paris, by American citizens representing varied groups of commercial, industrial and professional activities in favor of "the adoption of freedom of trade among civilized nations as a means of cementing peaceful international relations throughout the world." This communication, also printed in full in this pamphlet, pointed out that "economic greed, masked under guise of national patriotism, has been the chief and most prolific source of modern wars" and that "economic peace is the vital atmosphere of a League of Free Nations and involves freedom of trade, in the mutual interest of all nations and to the disadvantage of none." "In great emergencies . . . the first

thought has been to break down all barriers, tariff as well as other, that would prevent the free flow of human helpfulness" and that this course should be followed in providing food and industrial material for the devastated countries. It was stated that "a chief difficulty in treaty adjustments has hitherto been the requirement on the part of each nation for an outlet to the trade of the world," a statement later sadly confirmed by the difficulties over Danzig and Fiume, and the plea was made that through freedom of trade such ports should no longer be made "barriers rather than gateways." "Freedom of trade is not an interference with national independence, but gives free scope for the development of the resources of each nation to its own best advantage." "Economic peace is vital to enable all the nations involved in the world war to pay their huge war debts and rebuild their industrial prosperity" and to permit the enemy nations "to provide for reparation" and "meet the demands of retributive justice." "There must come the great peace which will first of all remove the economic, social and political motives for future wars. If the new peace is not such a peace, the war will have been waged for naught and the sacrifices of millions of men have been in vain."

In response to this communication, the memorialists were advised, through the Department of State, of Article 23 of the Covenant of the League, declaring that provision shall be made through the instrumentality of the League "to secure and maintain freedom of communications and of transit and equitable treatment for the commerce of all members of the League," having in mind, among other things, "the special necessities of the regions devastated during the war of 1914-1918."

VII

Economic peace means freedom of trade, or in President Wilson's lucid phrase, "equality of trade conditions among all

the nations consenting to the peace," with "no special, selfish economic combinations." That is, equal rights of access for each nation to and in the ports of other nations, without protective aggression or "most favored nation" discrimination. It does not preclude custom houses to collect duties for revenue, levied alike on imports from all countries, if these remain part of a nation's system of taxation.

It is noteworthy that leading protectionists, almost without exception, have accepted freedom of trade as the economic goal. America's exclusionists, from Hamilton and Carey, have looked to the time, which never comes, when infant industries shall of their own free will stand on their own feet. List put forward his national economic system as the road to "the goal of free trade."

Germany, as the super-nation, was to give the inferior nations of the earth all that was good for them. "What do we care for abroad?" was an early American translation of the same selfish thought. But with the record of America in the world war and the pledged acceptance by all the contestants, including our Teuton enemies, of the American President's appeal for economic equality and world brotherhood, we cannot permanently hark back to the old national selfishness and isolation. We will have no "entangling alliances with foreign nations," but we must take our place, and a leading place, in the brotherhood of nations, no longer foreign to each other. America cannot afford to follow a false "facing both ways" policy, like that "made in Germany," which will look to selfish aggrandizement within and commercial domination without. She must, instead, lead in making a fair and free field for all nations throughout the world.

The future lines of political division in this country and others may be on the cleavage here indicated. On the one hand, autocracy in the plutocratic trusts, selfish individualism in selfish combinations, protectionst or polemic exclusion, the

On the other hand, a safe and sane democracy, "the common interest of all," the open door and the open mind, the spirit of friendship—all these the conditions of abiding peace. President Wilson's words throughout the war settlement will be the banner for this latter company. Against this sanity were those who undertook to band together in a rash vow to touch nothing "made in Germany" for twenty-five years after the war.

But there is a more serious and thoughtful opinion which must be faced, the feeling that we must be made independent of Germany by protectionist measures for developing and safeguarding the industries stimulated by the war, as in dyes and chemicals. The ruthless theft and destruction by the Teuton vandals of the means of industry in Belgium and northern France meant a devilish purpose to destroy trade competition from these quarters, and this could not but add fuel to the flame of international resentment. There is also fear amongst us that, despite the loss of millions of workers and the bankruptcy of the nation, German industrial efficiency will be an unfair factor in the commerce of the world-a view which ignores the terrible handicap of weakened man power, reparation, taxation and debased mark under which German industry must labor, despite the savings from disarmament. These temptations and these arguments America must resist if she is to lead the world toward an economic, industrial and social, as well as political freedom in a new era of assured peace.

VIII

Nature has provided great harbors as the open door from the sea to the land, and where these do not exist man has dug channels or built breakwaters for the same good purpose. It has been the desire of all nations to reach the open sea through these naturally open or artificially opened doorways. Under freedom of trade and economic peace, the freedom of the seas and the open door policy on land would have prevented the innumerable wars which nations have waged for the control of these harbors and for the mastery of routes. In the settlement of the world war, contests for such ports were the chief stumbling blocks in the way of peace achievement, notoriously Fiume on the Adriatic and Danzig on the Baltic. Instead of treating them as open doors, they became barriers under the selfish spirit of nationalistic greed, in place of international comity.

The device of the political "corridor" was invented to join inland nations to the sea—"corridors" which separated parts of the same nation from each other. Not only in European countries but elsewhere this has been a burning question. In South America, Bolivia's access to the sea, betwixt Chile and Peru, was destroyed by the war between these two nations, and Tacna-Arica has been the Alsace-Lorraine of Latin America ever since.

In like manner, the carving out of small nations to meet the wholesome desire for racial self-determination has resulted, under the influence of this same bad spirit, in new barriers between nations, so that travelers by the night express between Germany and Russia have been routed out for personal inspection and baggage examination at successive frontiers, useless and resultless, and the little war between Lithuania and the allies over Memel has been but a culminating absurdity in these violations of the theory of economic peace and good will among nations.

IX

The freedom of the seas is the necessary complement of the freedom of trade. President Wilson laid down in his "four-teen points" the fundamental proposition of "absolute freedom

of navigation upon the seas, outside territorial waters, alike in peace and in war except as the seas may be closed in whole or in part by international action for the enforcement of international covenants."

"The treedom of the seas" was emphasized by Germany as one of her "defensive" aims in beginning and conducting the war, although on the seas her ruthlessness, from the Lusitania on and in every possible way, outraged all laws, human and divine, of fair play, mercy and justice. Yet before the war Germany enjoyed by grace of Britain, whose supremacy as "mistress of the seas" Germany would have replaced by her own mastery, "the freedom of the seas" in the largest sense, and to this end America had contributed by her steadfast upholding of the rights of private property at sea, in war and in peace, which Germany so defied and outraged. The two great commercial navies of the Hamburg-American line and the North German Lloyd, rivaling if not surpassing the great English commercial fleets of the Cunard line, the Royal Mail and other enterprises, were made possible only by England's policy of fair dealing and free trading. Their ships were made welcome by England, in her home ports as well as in British ports throughout the world, on equal terms with the British vessels. At the ports of call of Southampton and Plymouth, as well as at Cherbourg and other French ports, she was free to transport passengers and cargoes, American and English, between Europe and America, without any kind of discrimination. President Wilson himself had insisted on following this principle at the Panama Canal in making no discrimination between the tolls of foreign vessels and our own ships. Throughout the English colonies in the West Indies and in Asia, Germany had like rights of trade. The seven seas were open to her ships on the same conditions as to English bottoms. It was difficult indeed to discern what more she could ask as "freedom of the seas," until she uncovered her own camouflage by the frank declaration, in an unguarded moment of a "peace offensive" based on temporary success in war, that she expected Great Britain to surrender Gibraltar, Malta and other bases of her colonial empire and ports of call at which German ships had been free to come and go.

As the President made clear, the "freedom of the seas" includes the right to navigate on equal terms, not only the seas, but the interoceanic waterways, natural or artificial, as the Dardanelles, the Straits of Gibraltar, the Suez Canal and the Panama Canal, each vessel of whatever nation charged the same tolls and thus placed on an equality of privilege. Scarcely less emphasis should be placed on the internationalization of the great navigable rivers which flow between or through the different countries and thus give access to the seas, as the Rhine, the Danube, the St. Lawrence, and the Rio de la Plata. These also should be considered international waterways under like conditions as interoceanic canals and straits. And to complete the scheme of commercial freedom, especially if New York is to achieve its possibilities as one of the chief trade centers of the world, there must be here and elsewhere "free ports," like those of London and Hamburg, in which vessels may store and transship their cargoes without the payment of internal taxes and without the complicated red tape of the present system of bonded warehouses.

Our archaic navigation laws, which have the absurd result of preventing American passengers as well as others from returning from Honolulu or Porto Rico in other than American ships, must be modified and liberalized to keep faith with the other nations in upholding the open door principle.

X

When the duel was abolished, men of honor found other means than sword or pistol to protect their honor. They settled

their disputes in the courts or turned brawlers over to the police, or broke off social or business intercourse.

When war, the duel between nations, shall be abolished or estopped among civilized people, the consenting nations associated in the League will find like means of redressing national grievances. This, also, President Wilson made clear in his fundamental propositions. Nations inside or outside the League which decline or neglect to keep faith and the peace of the world will first be met by concert of action by the peacekeeping nations, on the high seas as well as on land, the fear of which will for the most part prevent an errant nation from breaking beyond its borders and running amuck. The final punishment in an era of peace will be a declaration, not of war, but of non-intercourse by the nations of honor against the nation of dishonor. Economic war by retaliatory tariffs and destructive competition would sow seed for a new harvest of armed war, but non-intercourse, the passive economic boycott, would be a quite different thing in method and result. The withdrawal from any commercial nation of the right to use international waterways or railroads, free ports, access to markets and other privileges of inter-communication, would bring it face to face by peaceful means with the logical result of its antagonism to the world order. Once this precedent is established amongst the great body of civilized nations, we may hope that war will seem to our successors on this planet what duelling seems to us—the crime against civilization which it is.

XI

The prelude to economic peace must be the downfall of militarism, which involves progressive if not immediate disarmament. The choice before us is again peace or war; we cannot prepare for both. Nor can we provide for peace through war as the world has been attempting for centuries and this

century knows to its dire cost. We cannot talk peace and think war.

Universal military service implies war and must give way to a national system for training youth, which implies peace. In such wise we can achieve the physical betterment for which militarists uphold war, despite the fact that it kills and cripples and maims the men of today and the fathers of the future.

Nor can the richest country longer finance the costly armament on land and sea without fresh burdens of taxation, which would be the last straw on the back of the people and invite bolshevik disaster and repudiation. In a world of peace, frontier forts and coast defenses are no more necessary than between Canada and the United States. Armies will shrink into intranational and international police, whose function will be to keep peace and not to make war. Navies will still exist, but they will be ships of peace and not battleships, conveying our posts and embassies of friendship over the highways of the seven seas. The air will become a great path of peace over the world, and whirring ships of the air will no longer be messengers of death and destruction. This is, indeed, a millennial picture, but it is the only possible picture of a world at peace.

XII

the American Constitution, happily statesmen untrained in diplomacy but inspired by the prophetic vision which modern premiers have so sadly lacked, free trade was ordained for the new nation by denying to the states the right to lay imposts or duties on imports or exports, and requiring that all duties, imposts and excises shall be uniform throughout the United States. Otherwise, there might have been a chain of sixteen frontiers, forts and custom houses on the route between the Atlantic and the Pacific. Pennsylvania, the home of "pro-

tection," in fact manages to evade this provision by a production tax on coal, three-fourths of it exported to other states, which multiplies like the sales tax, to the disadvantage of all consumers. The nation for which they made this provision has now become a vast empire of forty-eight states, stretching three thousand miles from the Atlantic to the Pacific and a thousand miles from Canada to Mexico, with no forts or defenses between us along the three-thousand mile border of our peaceful sister nation to the north, a domain which through economic peace and absolute free trade has become the most prosperous and the richest nation in the world. We have yet to reach the final solution of that conflict between labor and capital which will assure industrial peace, but toward this we have made steadfast progress, and its solution will be found in the principles of justice for all and freedom for each, which are the fundamental bases of our nationality. In his early years, the prophetic soul of Lincoln realized that a house divided against itself cannot stand, and the economic war between North and South, which found its climax in the Civil War after battles innumerable over slavery extension and protective tariffs in behalf of sectional interests, was ended when the Union was assured for all time on the basis of economic freedom.

The tariff, through which Congressmen still seek by "log-rolling" to "protect" the interests of their sections or their local industries, is the surviving vestige of such economic war, and it remains for America to free herself from this handicap and prepare herself for fair and friendly competition in the markets of the world by giving our own people the advantage of fair and friendly competition by the industries of other countries in our own markets. This will be a good bargain by which both sides gain, but it is America with her vast productive power who will reap the chief gain.

If the fathers of the Constitution had failed to make this wise provision, this one nation, the United States, might have

been divided into what would practically have been four lesser nations—the manufacturing East, the cotton-growing South, the food-producing West and the states beyond the Rocky Mountains—each setting up protective tariff walls in mistaken defense of its local interests and engaging in economic war. This is the condition into which the European continent has been led today and into which England is drifting as the aftermath of war, and only by accepting the principle of free competition for her external as well as for her internal trade can America clear herself from her own ill precedents and do her part to save the world from new and unthinkable disaster as the result of economic war. It is only when each nation can freely give of its best to all sister nations, and in the like friendly spirit accept their best, that the peoples will come to their own, and every man, woman and child in our own country be the better off because all their fellow humans throughout the world are doing their best for them as they are doing their best for all. This is the true internationalism, which can only be achieved at home and abroad through economic peace.

MEMORIAL TO THE BRITISH AND FRENCH COMMISSIONS

May 7, 1917.

Rt. Hon. Arthur J. Balfour, and Colleagues of Great Britain, M. Le Ministre René Viviani, and Colleagues of France.

Gentlemen:

We take the liberty of addressing you, the representatives of our mother country and of our sister republic, in behalf of associations and citizens favoring freedom of trade, as well as freedom of the seas, for America and all nations, in the belief that your mission to America is the harbinger of larger and closer relationship amongst all peoples. We believe that a chief cause among the several causes which have led to the world war has been the economic battle between selfish and restrictive "protection," so-called, and international freedom of exchange. If Cobden's watchword "peace on earth, good will among nations," which England adopted as the basis of her trade policy, had been accepted by Germany, instead of the "national economics" of List and his cry "from Berlin to Bagdad," the imperial government of Germany would probably not have plunged her people into the present horror and distress. We honor England for the broad economic policy which made her free ports the commercial centres of the world, and which generously made possible the development of the two great commercial fleets of Germany, now interned, seized, or swept from the seas as the result of the war thrust

upon the world, through the violation of Belgium and the ruthless defiance of the rights of humanity, by the imperial Teuton governments. We honor France for the liberality which has made her capital the school for artists of all nations and of all classes through the bounty of education which she has given freely without distinction of nationality to all who sought. We regret that our own nation, though the home of political freedom, has denied to its people the advantages of full economic freedom, and has lessened from period to period, as restrictive legislation has multiplied, its representation on the high seas, once so promising, and its commercial rank among the nations.

We have learned with sorrow that there is some disposition after the close of the present war to engage in economic war between the present foes, a contest which in our belief could only result in future cataclysms even greater than that which has already piled up on future generations burdens of taxation and sorrow well-nigh too grievous to be borne. We hold that if the world is to be kept at peace, economic peace based upon freedom of trade as well as freedom of the seas must be established and maintained, and that this is the one sure and enduring foundation for a league of honor or a league of peace, for disarmament, for the reduction of burdens upon the people, and for true and prosperous democracy throughout the world.

We recognize with joy that eminent publicists, both in England and in France, have taken this broad view of the future, and are putting forth their best endeavors to unite their own peoples and all peoples in this thought of the common interest of mankind, based on economic as well as political freedom. We venture the hope that the eyes of our own people and of all peoples may be opened to the larger vision, that they may look into the future with the full inspiration of international fellowship and mutual trust, of which your coming is the most

noteworthy example in history, which will ultimately include all humanity and bring about the United States of the World, as free from barriers against each other as the states of our Union are free in mutual trade under the guarantees of our Constitution. Thus only can enemies be made friends and peace on earth, good will toward men be assured in the time to come.

We join with our fellow citizens in giving you heartfelt welcome, and in assuring you that in the great cause, the contest of democracy against autocracy, for which your countries have made such heavy sacrifices, and in which we are now striving to take our part, the soul of free America responds with no uncertain sound.

MEMORIAL TO THE PEACE CONFERENCE

Christmastide, 1918.

To Hon. Robert Lansing, Secretary of State.

Sir:

The undersigned, American citizens representing varied groups of commercial, industrial and professional activities, respectfully request that the following considerations for the adoption of freedom of trade among civilized nations as a means of cementing peaceful international relations throughout the world be submitted through the American peace delegates to the international peace conference.

- 1. Economic greed, masked under guise of national patriotism, has been the chief and most prolific source of modern wars, and the paramount if not the sole cause of the world war is proven to be an unstinted lust on the part of the leading aggressor for world domination in trade, to the disadvantage of other nations.
- 2. Economic peace is the vital atmosphere of a League of Free Nations and involves freedom of trade, in the mutual interest of all nations and to the disadvantage of none. Protective tariff discriminations and "most favored nation" clauses (such as France has recently abrogated) to the detriment of the less favored nations are economic barriers, contrary to the spirit of such a league and are of international concern in contrast with questions of national revenue, which are exclusively of national concern.
 - 3. In great emergencies from devastation by earthquake,

whirlwind, flood, fire, famine or pestilence, the first thought has been to break down all barriers, tariff as well as other, that would prevent the free flow of human helpfulness. The urgent need of all Europe and much of Asia for food, and of the devastated regions for supplies of machinery and raw material for their reconstruction and rehabilitation and of manufactured goods for immediate consumption, makes it an imperative duty for the civilized nations of Europe to sanction no policy that would have the result of obstructing trade or hindering the prompt delivery of these materials, with the necessary result of lessening the supplies so delivered; or that could make any addition whatever to the cost of productions required by the starving and the destitute. But the advantages of trade must be reciprocal to be beneficial, and if a permanent foundation of freedom in trade as well as in political systems is not now established, the old conflicts will soon arise and the peace of the world will again be threatened.

4. A chief difficulty in treaty adjustments has hitherto been the requirement on the part of each nation for an outlet to the trade of the world. Those nations which can reach the sea only through the ports of other nations are put at disadvantage if such ports are made barriers rather than gateways. In freedom of trade is to be found the solution of this problem through free interchange of facilities to mutual advantage without interference from racial differences or political boundaries.

5. Freedom of trade is not an interference with national independence, but gives free scope for the development of the resources of each nation to its own best advantage. Even for a nation looking solely to its own self-interest the growth of trade which comes with freedom of interchange of exports and imports makes for social freedom, a better understanding of other peoples, general prosperity, and therefore individual prosperity. This is shown by the benefits derived from freedom of trade among the states of the United States of America, marred only by participation with other nations in the war of tariffs, and the resulting diversion of much of the wealth accumulated through its domestic free trade into the hands of a few at the expense of the many.

6. Economic peace is vital to enable all the nations involved in the world war to pay their huge war debts and rebuild their industrial prosperity and the prosperity of the world on a sure foundation, and also to make it possible for the aggressor nations to provide for the reparation and reconstruction costs imposed upon them because of the ruthless destruction and reckless robbery by their armies and navies, and thus to meet the demands of retributive justice.

7. In the settlement of wars through peace treaties, the obvious course of investigating causes of war and uprooting them has never yet been tried. The scourge of war, left to run its course, has bred the germs of recurrent disease and the prophets of lasting peace have been confronted by new wars resulting from the unhealed sores of the old. The general acceptance by the nations chiefly concerned of the proposals of the President of the United States permits us to emphasize the hope that the present peace negotiations will recognize and remedy the real causes of war and for the first time in history provide a working basis for permanent peace.

8. The great task before the world, through the peace conference, is the healing of the nations, which means the welfare of all peoples. This can only come through world freedom made possible by economic freedom, which means economic peace. Now that the greatest of all wars is happily over, and the international spirit of freedom has vanquished national greed for world power, there must come the great peace which will first of all remove the economic, social and political motives for future wars. If the new peace is not such a peace, the war will have been waged for naught and the sacrifices of millions of men have been in vain. For the first time in history

there is an opportunity for the nations of the world to lay down their economic weapons along with their military arms and join in an actual brotherhood of humanity.

For this high purpose, we therefore pray that full and favorable consideration may be given in the deliberations of the conference to the subject of economic peace as an essential factor in securing and maintaining throughout the world political peace and commercial justice.

We may ask leave in the course of the deliberations of the conference to supplement this brief memorial with a more extended memorandum as to the propositions here set forth.

END OF TITLE